
DIGEST

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HB 6 Engrossed

2016 Second Extraordinary Session

Leger

Abstract: Changes the applicability and effectiveness of Act No. 8 of 2016 1st E.S., which established a flat rate of 6.5% for purposes of calculating corporate income tax liability.

Present law provides that the tax to be assessed, levied, collected, and paid on the La. taxable income of every corporation shall be computed at the following rates:

- (1) 4% on the first \$25,000 of La. taxable income.
- (2) 5% on La. taxable income above \$25,000 but not in excess of \$50,000.
- (3) 6% on La. taxable income above \$50,000 but not in excess of \$100,000.
- (4) 7% on La. taxable income above \$100,000 but not in excess of \$200,000.
- (5) 8% on all La. taxable income in excess of \$200,000.

Proposed law (Act No. 8) changes present law by deleting the graduated schedule of rates dependant on the amount of taxable income of the taxpayer in favor of a flat 6.5% corporate income tax rate.

Proposed law (Act No. 8) is applicable to all tax years beginning on and after Jan. 1, 2017, and becomes effective Jan. 1, 2017, if the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. 31 of the 2016 1st E.S. of the Legislature is adopted at a statewide election and becomes effective.

Proposed law changes the effective date of proposed law (Act No. 8) from Jan. 1, 2017, to Jan. 1, 2018, subject to adoption of the proposed constitutional amendment at a statewide election. Proposed law additionally changes the applicability provisions from all tax years beginning on and after Jan.1, 2017, to all tax years beginning on and after Jan. 1, 2018.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends §§2 and 3 of Act No. 8 of 2016 1st E.S.)